

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

Docket No. 2020-106-A

In Re:)	
)	
)	
Actions in Response to COVID-19)	Summary of Comments of
)	Blue Granite Water Company
)	
)	

Blue Granite appreciates this opportunity to provide comments on matters related to the COVID-19 pandemic and its impact on customers and on utility operations. On May 22, 2020, pursuant to Commission Order No. 2020-372, Blue Granite Water Company filed comments in this proceeding discussing these issues.

As related to Online Payments and Credit Card Processing Fees, the Company currently utilizes a third-party vendor to facilitate and process credit card and debit card/e-check transactions. Currently, the third-party vendor collects the payment, including the applicable convenience fee, from the customer, and then remits the utility bill payment amount to the Company.

The Company could, as other South Carolina utilities have done, implement system changes allowing the Company to pay these fees and recoup the associated costs in rates. Such system changes would cost approximately \$20,000 to implement and require approximately eight (8) weeks to complete, and would be contingent upon amendment of the agreement with the Company's vendor. As no-fee bill payment options, Blue Granite currently offers to customers auto-draft and check payment.

As related to Late Payment Fees, as of March 10, 2020, the Company has:

- 1 • suspended its collection processes, including the assessment of late charges;
- 2 • suspended disconnections and the issuance of disconnect notices; and
- 3 • reconnected customers whose service was terminated for non-payment between
- 4 March 1, 2020 and March 10, 2020.

5 As a result of these measures, as of May 19, 2020, the Company has foregone approximately
6 \$28,066 in late fees that would have been assessed on past due balances.

7 The Company anticipates that the rescission of the waivers granted in Commission Order
8 No. 2020-228 will take time to implement, including adequate notification to customers and
9 managing impacts to operations and customer service. The Company therefore anticipates
10 additional lost revenues due to the temporary continued suspension of late fees and disconnections.

11 As related to Returned Check Charges, the Company has not suspended the imposition of
12 return check (non-sufficient or “NSF”) fees as it does not believe such a waiver would be in the
13 best interests of customers or the Company. Waiving such fees can incentivize improper payment
14 practices and is likely to increase instances of NSF payments, which will increase the Company’s
15 administrative burden and cost.

16 The Company does not currently report customer delinquencies to credit reporting
17 agencies, nor does the Company utilize credit agency information as related to customer account
18 deposits.

19 As related to Communication Regarding Safety Net Provisions, the Company has a practice
20 of referring customers who are unable to make payments to non-profits within the State, such as
21 the Salvation Army or United Way, and Blue Granite is investigating the availability of local
22 community action agencies for customer assistance with water and sewer bills.

1 The Company is currently preparing plans to resume normal operations. The Company
2 has prepared an Essential Operations Continuity Plan, which ensures that sufficient operating
3 materials and supplies are on-hand or readily accessible, including, for example, chemicals and
4 Personal Protection Equipment. The Essential Operations Continuity Plan allows the mobilization
5 of identified certified operators to augment the Company's workforce. The Company has also
6 implemented Social Distance Scheduling and a new mobile application that tracks employees
7 working remotely. The Company plans to maintain "work from home" protocols for office
8 employees for the foreseeable future while it identifies the needs of its office environments to enact
9 appropriate recommendations from the U.S. Centers for Disease Control.

10 As the Company resumes its standard collections processes, and customers begin to
11 establish payment plans and other arrangements, we expect call volume to significantly increase.
12 The Company plans to utilize temporary employees as needed to supplement its existing CSC
13 staff. As disconnect notices, service terminations, and subsequent reconnections resume, the
14 Company anticipates a significant influx of service orders for field personnel, which will likely
15 require overtime, supplemental staff, and/or contract operators to be utilized. The Company
16 currently utilizes a past-due balance threshold for customers subject to disconnection, which
17 avoids the incurrence of incremental expenses for smaller outstanding balances, and is considering
18 increasing the threshold to assist customers and limit a spike in disconnect orders.

19 The Company intends to communicate to customers, in advance, its timeline for returning
20 to standard collections processes, allowing customers the opportunity to request payment
21 arrangements of up to twelve (12) months, and all customers with past-due balances who receive
22 notices regarding the potential for disconnection will be notified of the opportunity to establish a
23 payment arrangement under these terms.

1 As related to Cash Flow and Financial Considerations, the suspension of disconnects and
2 late fees has removed significant miscellaneous revenues, as well as increased average
3 uncollectible account balances. Increases in legal, communications, and regulatory costs have also
4 occurred for one-time as well as recurring events and are likely to continue for the foreseeable
5 future. Additionally, the Company has incurred additional costs required to maintain employee
6 safety and reliable provision of service, such as PPE, sanitizer, and disinfectant cleaning products
7 and services, and additional support staff to augment field operations. While it is possible certain
8 cost savings can be quantified, the Company anticipates the net financial impact to be adverse.

9 Blue Granite is monitoring its cash flow and reviewing options to maintain adequate
10 funding for its operations. However, the Company anticipates a material adverse financial impact
11 due to COVID-19, and therefore recommends that the Commission authorize establishment of a
12 Regulatory Asset capturing the financial impacts of utilities' COVID-19 pandemic response. Such
13 accounting treatment has been authorized for utilities in other jurisdictions, including but not
14 limited to Virginia, Pennsylvania, Maryland, Texas.

15 Thank you again for this opportunity to provide comments on these important matters.